



Irish Life Weekly Investment Bulletin

The week that was – WEEK 22 2018 (ending 01/06/2018)

“Preparedness is the ultimate confidence builder.” – Vince Lombardi

Irish retail sales bounce back with 1.5% rise in April – The Central Statistics Office (CSO) reported that retail sales volumes grew by 1.5% in April after falling by nearly 2% in March, with an annual increase of 4.8%. If Motor Trades are excluded, the increase was 1.0% in April and a 3.8% annual increase compared to 2017.

Oil prices help push eurozone inflation to ECB target in April – Eurostat reported that eurozone headline inflation rose by an annual rate of 1.9% in May, well ahead of April's 1.2% and matching the ECB target of just below 2%. Core inflation (excluding energy, food, alcohol and tobacco) only rose to 1.1% from 0.7% in April.

Global stock market flat on the week – The MSCI AC World TR Index showed a 0.0% return from 25th May to 1st June, as markets finished the week a lot better after quickly recovering from a sell-off regarding worries about Italian political uncertainty. The Volatility Index (Vix) closed the week very slightly higher at 13.46.

Formation of new Italian coalition government reduces uncertainty – Following a week of political and market uncertainty and even calls for the impeachment of Italian President Sergio Mattarella, the Five Star Movement and League party finally formed a coalition government, with Giuseppe Conte as Prime Minister.

U.S. jobs growth and unemployment rate in May surprise on the upside – The Bureau of Labor Statistics reported that nonfarm payrolls rose 223,000 in May while the unemployment rate fell to an 18-year low of 3.8%. Economists surveyed by Reuters had expected a 188,000 jobs gain and a 3.9% unemployment rate.

Chinese A shares join MSCI's global equity indices – The long-awaited inclusion of Chinese shares into widely tracked benchmark indices started on Friday when 234 Chinese companies officially joined MSCI's global equity indices, including partial inclusion in its flagship Emerging Markets Index and other MSCI indices.

The Story of the week: Humming that old dancefloor favourite La Macarena as well as, ironically, the Bee Gees' Stayin Alive, ABBA's Dancing Queen and the Backstreet Boys' Quit Playing Games can help save lives while doing CPR, with their rhythm supposedly helping first responders to keep time while doing the relevant chest compressions. This is according to the findings by researchers from the University of Barcelona, Hospital Clinic Barcelona and Universitat Autònoma Barcelona which were presented at the Euroanaesthesia congress in Copenhagen, Denmark.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 01/06)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	2.0
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	3.1
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	2.0
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	0.6
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	3.1
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	9.4
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-2.6
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-0.2
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.7
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.9
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.3
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	2.7
Greece	8.2	9.6	7.9	7.1	4.1	4.5
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.4
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.17
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.87
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.34
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.2	12.3	36.1	25.1	12.6	8.1%
U.K.	2.7	10.7	17.8	13.1	3.6	10.3%
U.S.	5.3	11.4	11.2	12.1	7.8	7.1%

*Past performance is not a reliable guide to future performance